

happens when you get rid of the Davis-Bacon requirement of paying the prevailing wage—bring somebody in and exploit them.

And, oh, by the way, one of the witnesses this morning said he saw jobs advertised by companies to do the reconstruction that claimed their workers can have free meals at the Red Cross. What does that mean, “free meals at the Red Cross”? That means you don’t have to pay them much. You can underpay them. You can have them live like this, as shown in this picture. You can exploit them. And, oh, by the way, we can get free meals for you at the Red Cross.

What a shame this is. The fact is, there is a right way and a wrong way to do reconstruction in Louisiana, Alabama, and Mississippi, and that is to not devastate the local prevailing wage. It is to reach out and hire the people in that region who have been victimized by these natural disasters. It is not to waste money. There is such prevailing waste here, it is almost unbelievable.

Ms. Sheila Crowley testified this morning. She has a Ph.D. She is president of the National Low Income Housing Coalition. There is \$11 million being spent each day to put people in hotels who are displaced because of Hurricane Katrina. Think of that. So \$11 million tonight is what the estimate is for hotel rooms.

Now, why are we still paying for these hotel rooms? Because the administration decided they did not want to use a voucher program. They do not like vouchers. A voucher program would have been to say to a person displaced: Here is a voucher. Go find yourself an apartment. It would have used existing housing stock. It would have made a great deal of sense and very quickly put people in housing. But the administration does not like vouchers, so the people who run these programs have been prevented from doing that.

Let me come back for a moment to the testimony by Paul Mullinaux. I have asked FEMA if we can find some accountability in FEMA. Who is it that decided we should have a truck pick up ice in New York and deliver it to Massachusetts for the purpose of helping victims of Katrina down in Louisiana and Mississippi? Who decided to do that? Who authorized the payment of \$15,000 for that truck and hundreds of other trucks just like it full of materials that victims needed, full of food and supplies and clothing and ice that victims needed? Will we find the answer to that? Will we find some accountability somewhere? I hope so because as we produce additional money for reconstruction and as we provide additional money to FEMA, the question is, Is this money being spent in a manner that meets any commonsense test at all? The fact is, this does not meet any test at all, that I am aware of, of efficiency or of effectiveness. Someone, some group of people is completely brain dead when it comes to

managing the resources that belong to the taxpayers of this country. I would like to find out who. This country deserves better. America deserves better than this. We can do better as a country.

Let me just finally say this: We had a FEMA that was extraordinary. I know that because in my State we had a city of nearly 50,000 people that was nearly completely evacuated because of a flood. I watched FEMA up close. They were extraordinary: professional, sharp, on the mark, on the ball, doing the right things.

Now FEMA is a joke. I am sure there are wonderful people still working at FEMA. But I see people inside FEMA, who are career people, who say what has happened inside is to hollow out this great organization. You put people at the top who have no experience at all in this area—just hire a couple cronies, friends, and say, “Go do this,” with no experience in disaster preparation or disaster preparedness—and this is what you get.

I hope we can find some accountability. I hope we can put some new people in charge, in place, to be responsible for this country and to its taxpayers. We are going to spend billions more dollars out of this Chamber. I have watched it with respect to reconstruction in Iraq, and I am now watching it with respect to reconstruction in the wake of Hurricane Katrina. In both cases, it appears to me that massive amounts of money are being wasted. There is substantial waste, fraud, and abuse. Instead of yawning at that problem, this Congress ought to be furious. We ought to make sure we put a stop to it right now.

ENERGY COMPETITIVENESS

Mr. BAUCUS. Mr. President, in the 12th century, in the Bay of Biscay, Basque sailors began to hunt right whales. The Basques melted the whales’ blubber into oil to fuel their lamps. When the whales died out in Spanish waters, the Basques sailed north to Iceland pursuing the source of their lamp oil. By the 16th century, whalers hunted extensively in Icelandic waters to find the fuel for light.

As our former colleague Phil Gramm wrote in 1973, from American colonial times through the middle of the 19th century, whale oil provided the major source of artificial lighting in America and Europe. But in the middle of the 19th century, America faced an energy crisis. The price of whale oil was rising. From a low of 23 cents a gallon in 1832, it rose to \$1.45 a gallon in 1865.

But then in 1859, people discovered petroleum oil in western Pennsylvania. The rising price of whale oil encouraged an engineer to invent a process to convert that western Pennsylvania black oil into a new fuel, kerosene.

The whale oil era was ending, and the petroleum era began.

One hundred fifty years later, at the turn of the 21st century, gasoline

prices are rising. As late as December 2002, Montana gasoline prices averaged a little more than \$1.30 a gallon. On September 5 of this year, the average price hit about \$2.90 a gallon.

In the wake of Hurricane Katrina’s disruption of oil refineries, many Montanans feel gouged by sky-high gasoline and diesel prices. High gas prices hit low-income Montanans particularly hard. Peggy Grimes, director of the Montana Food Bank Network, says: “[P]eople are going without food more often and coming to visit local food pantries more often.” Just think of people having to make choices such as that.

Rising natural gas and fuel oil prices have many Montanans concerned about how they will heat their homes this winter. And rising fertilizer costs will hit many Montana farmers hard.

In the short term, petroleum price increases are forcing painful adjustments. In the medium term, we need to invest in conservation, weatherization, and upgrading the efficiency of cars, appliances, and machines that use energy. And in the long term, we need to adjust intelligently to higher petroleum costs, systematically and purposefully diversifying our energy sources.

In the middle of the 19th century, America led the way to the next energy era, leaving the whale oil era behind. Now, at the beginning of the 21st century, America must once again lead the way to another energy era, an era that severs the world’s dependence on Middle Eastern oil. Domestic oil and gas production will remain a critical part of our energy security for some time. But to lead the world to a new era, we will have to make major investments in new innovative forms and uses of energy.

Once again, we have cause to look again across the waters to Iceland.

Iceland is leaving the petroleum era behind. Iceland is entering the hydrogen era. The government has announced its intention to become a hydrogen-based economy by 2030.

In Iceland, icy water cascades down from massive glaciers. And in Iceland, boiling water bubbles up from just beneath the surface. Iceland already harnesses these renewable resources to generate virtually all of its electricity and heating from hydroelectric and geothermal sources.

But with no fossil fuel resources, Iceland relies heavily on imported oil to power cars, buses, and the fishing trawlers that provide 70 percent of Iceland’s income.

To break that dependency, and to reduce greenhouse gases, Iceland is turning to fuel cells. Fuel cells use hydrogen and oxygen to generate electricity to power engines. And the vehicles powered by those engines emit only water as exhaust.

Iceland plans to use its cheap electricity to split water—H₂O—into its component parts—hydrogen and oxygen. Iceland uses the process of electrolysis. Electrolysis runs an electric

current through bonded elements to separate the elements.

Iceland's capital Reykjavik intends to replace its entire fleet of 80 buses with fuel cell buses. Next, Iceland hopes to convert private cars. And after that, Iceland hopes to switch the huge Icelandic fishing trawlers to hydrogen power.

Iceland thus hopes to convert its renewable hydroelectric and geothermal energy into a form that can power its transportation system, and, in the process, Iceland hopes to slash emissions and end its dependence on fossil fuels.

Maria Maaack, the project director of Iceland New Energy, explained:

We are so reliant on our fisheries, and the fisheries are totally dependent on oil. So we have a chance to be quite independent of this. . . . [I]t's being independent and relying on ourselves to continue the way we live.

Bragi Arnason, a chemistry professor at the University of Iceland and a leader in hydrogen technology, beamed:

I think we could be a pilot country, giving a vision of the world to come.

This is my sixth address to the Senate on competitiveness. Starting this summer, I spoke on competitiveness generally. I spoke on the role of education in meeting that challenge so we Americans can be more competitive in the future. Education at all levels—K through 12, continuing education, higher education, technology schools—is the long-term key for America to remain the biggest and strongest economic power in the world, given the challenges of China, India, and other countries that are taking advantage of the Internet and other technologies which are making other countries more competitive than they have been in the past.

I spoke on the role of trade, how we have to be more aggressive in trade to market our products overseas better and knock down trade barriers. I spoke on the role of controlling health care costs which make us less competitive worldwide. Our health care costs per capita are twice that of the next expensive country, and I doubt we are twice as healthy. I spoke on the role of capital and savings. We are not a net savings country, we are basically a net deficit country. Other countries save so much more than we save. That means capital that is available to develop new technologies, both technical technologies and human technologies.

Today I wish to speak about the role of energy in competitiveness. If we are to be a strong country and meet the foreign challenge, clearly, we need to be much more independent in energy production.

Iceland's Professor Arnason is not alone in his vision of a hydrogen future. At the University of Montana, Missoula College of Technology, Dean Paul Williamson has a similar vision. He is working to use hydrogen as the focal point to build a state-of-the-art college of technology and futures park. He wants to create something that

folks in Geneva will get on a plane to come to America to see. So we are not always going overseas to see what they are doing, they will come to see what we are doing. It is a laboratory of excellence, to serve as a gateway to alternative technology in a much larger community.

Dean Williamson's vision is to marry Montana's resource base with the best trained workforce, and he is working to make the Missoula College of Technology a focal point to transform that vision into reality. Missoula College of Technology is creating the educational venue, and with it, they will match a business gateway to help to bring business and industry to the area, creating networks of microenterprises.

All around Montana and the Nation, people are working on renewable and alternative energy research and industry. Rising energy prices, combined with smart Government incentives, have spurred innovation, and we are already beginning to reap the benefits.

I have already talked about one example, hydrogen. Another example is coal conversion.

Coal gasification can be used to help produce hydrogen, and coal gasification can also be used to produce fertilizers, other chemicals, and diesel fuel. Our State's Governor, Brian Schweitzer, and I have targeted a process to turn Montana's coal into clean-burning diesel and jet fuel. The process is called Fischer-Tropsch, or F-T for the German scientists who developed it in the 1920s.

Energy technology firms in America and elsewhere are fine-tuning F-T to make it even cleaner. F-T fuels are relatively clean. The process can recover sulfur, mercury, and arsenic as marketable byproducts.

Jack Holmes, president of Syntroleum, extols the cleanliness of F-T diesel. He says it can be burned straight or blended with regular diesel fuel. He says:

It's like a single-malt scotch.

Not quite, but we get the drift of it. Governor Schweitzer calculates:

It would cost less than \$1 per gallon to make that diesel.

The break-even point for F-T comes when crude oil sells for more than \$35 a barrel. These days, that looks like a pretty safe bet.

To develop processes such as these in the just-passed Energy bill, I worked to include an investment tax credit for the coal gasification technology used by the F-T process. In the highway bill, I worked to include a 50-cent-a-gallon tax credit for companies that generate fuel using an updated version of the F-T process. I also included a Federal loan guarantee so that companies can finance these capital investments.

We have real opportunity here. The coal-to-fuel technology can be a win for everybody if we do it right and if we make sure that any facility uses the cleanest and most advanced technology available—again, if they do it right. It

will help lessen our dependence on foreign sources of energy while creating thousands of jobs in America. I am proud to join our Governor in trying to bring a new investment in this technology to Montana and to the Nation.

A third example is renewable and alternative energy in the form of wind energy. They may call Chicago "the windy city," but many say Great Falls, MT, is the windiest city in America. "Wind is like water flowing out of the mountains," says Bob Quinn, a farmer from Big Sandy, MT. Big Sandy is a little bit east of what we call the eastern front. It is the Rocky Mountains and the Continental Divide. The eastern front falls off similar to a big cliff. That is why we call it the front. By the time it gets to Big Sandy, which is not too far away, it is similar to water flowing out of the mountains.

Closer to the mountains, the wind is turbulent, but across the prairie, it flows uniformly similar to a huge river, and that makes it attractive as a wind farm site.

Five years ago, Bob traveled to Germany to research his ancestry. He visited a distant cousin who had developed a wind project and was contemplating others in Chile or South Africa.

Bob asked him, Why are you thinking about going clear to Chile to build a wind farm when you can buy one in Montana, where we have this river of wind? The cousin reconsidered and chose Montana. Along with another partner and two cousins, they formed WindPark Solutions America and began looking for sites.

They settled on Judith Gap, a town of about 150 people in central Montana. Eventually, WindPark sold the project to Invenenergy Wind, a Chicago-based company that will own and operate the project. Invenenergy is now building a \$150 million facility, the Judith Gap wind farm.

Billings resident Ludlow Howe manages the construction. His work crews erected 130 turbines in two phases. The wind farm will cover an area about 8 miles long and 5 miles wide, straddling Highway 191 between Judith Gap and Harlowton.

So far, workers have assembled at least 27 towers, colored white-gray to blend with the sky. Each tower is 260 feet tall. On top of each tower sits a generator box the size of a motor home. Seven-ton rotors with 122-foot blades sweep up to 387 feet into the air. Each turbine weighs more than 400,000 pounds. A system of 140 bolts secures each tower to its base.

The rotors come from Houston, the turbines come from North Carolina, and tower sections come from China, Korea, and Fargo, ND.

Ludlow says of the wind turbines:

They will actually seek out the wind at 9 miles per hour. They will pitch their blades, just like a sailboat.

They will trim their sails.

The plant should be in full operation soon. NorthWestern Energy will buy power from the 150-megawatt wind

farm for customers in central and western Montana.

Wheatland County Commissioner Tom Bennett says admiringly:

It's environmentally friendly. It's renewable. It's something we'll have forever. You tell me any negative on this. We couldn't find any.

A fourth example of renewable and alternative energy is biomass and ethanol.

Energy competitiveness can also come from a clear commitment to the development of biomass and ethanol-based fuels. Currently, most alternative fuels are not profitable without a Federal subsidy, but if we continue to support the industry until it reaches profitability, much as with wind power, it will become a self-sustaining model in its own right.

A Pentagon-sponsored study called "Winning the Oil Endgame," projects that biomass and ethanol-based fuels can create 750,000 new jobs. This effort could revitalize rural and agricultural areas of America. It could add tens of billions of dollars to farmers' revenue every year.

Rural America is at the center of the next age of domestic energy production. Rather than spending \$50 billion a year overseas to buy oil from foreign countries, we could be buying into rural America. We must continue to support these new industries.

The man who headed the research team that created the hybrid Toyota Prius tells his young researchers:

Forget about concentrating on such things as trivial increments in performance or cost cutting. If you restrict yourself to refining the prevailing paradigm, you will never come up with an earth-shattering idea or technology.

That is the guy who heads the team that formed the new hybrid Prius, which is doing very well.

America needs to follow that sage advice. We need to move beyond trivial increments in refining the prevailing petroleum paradigm. We need to move on to the next Earth-shattering ideas and technologies.

During World War II, America created the Manhattan Project in an effort to develop the first nuclear weapons and win the war against fascism. That important effort involved sites at Hanford, Los Alamos, Oak Ridge, and more than 30 locations in all. By 1945, the project employed more than 130,000 people. It cost nearly \$2 billion, or \$20 billion in 2004 dollars, that is, in current dollars.

Today, America needs a new Manhattan Project. As Tom Friedman put it in his book, "The World is Flat," we need "a crash program to . . . develop clean alternative energies."

On May 25, 1961, President John F. Kennedy told the Congress:

I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon and returning him safely to the Earth.

Don't you remember that? That was a real challenge, an important and nec-

essary challenge. It lifted us up, helped us develop technologies, and made America feel good about itself.

Today, America needs a new challenge. As Friedman puts it, we need "a similar legacy project . . . a crash program for alternative energy and conservation to make America energy-independent in 10 years."

Developing new energy sources in America will contribute to energy independence. Energy independence will contribute to national security, and energy independence will contribute to the stability of energy sources, allowing business to go forward without the jolts of supply disruptions. People facing the jolt of supply disruptions is a huge additional part of the problem of dependence.

As well, developing new energy sources in America has the potential to turn renewable and alternative energy development into comparative advantage for America, to gain an advantage for America. If we can figure out how to make clean, cheap energy before other countries, then those other countries will pay American companies to build energy production there.

Because of our early investments in the 1970s, America had an opportunity to become the world leader of the fossil alternative energy. With lower energy prices and decreased Federal support, however, our advantage dwindled.

Countries such as Denmark and Germany built on our initial research. Denmark and Germany have become the world leaders in wind generation. Danish companies are now the No. 1 provider of wind services in America, outnumbering even American companies.

The Danish became world leaders in wind power production by first growing the industry at home. According to the Danish Wind Industry Association, the Danish wind industry has created 20,000 new jobs. It exports 90 percent of the wind turbines it creates, and it supplies 20 percent of Denmark's electricity.

This is all because Denmark was the second country to reach the critical production level of 100 megawatts a year in 1987. That was 4 years after America. But we decided to end wind power subsidies for a time. That put them ahead.

There is a silver lining, however. America still has the resources to create technologies that could be turned into comparative advantages. Because of our wind power penetration, we are still fairly advanced compared to other nations. With a concerted effort for research, development, and production of wind generation—or solar power or other energy programs that we have been working on—we could easily become the world leaders in those industries if we put our mind and effort to it.

America has underinvested in research and development. This happens because firms invest in R&D based on the private return to their firms alone.

The social rate of return to investment, however, exceeds the private re-

turn. As economists put it, positive externalities exist. These external benefits come from knowledge spillovers, the creation of public goods, and economies of scale. The existence of these externalities—an awful word, but it is so powerful—counsels that the Government needs to subsidize R&D until the private rate of return matches the social rate of return. Traditionally, governments have used a few different policy tools to subsidize R&D: the first as government research grants to industry and educational institutions but, second, to provide tax incentives for R&D. A third tool is the increasingly popular and effective technique of offering prizes to spur innovation.

For example, in 1714, the British Government offered the longitude prize, a prize of 20,000 pounds, for precise determination of a ship's longitude. John Harrison solved the problem and eventually won the prize using precision clocks.

A year ago, SpaceShipOne won the Ansari X Prize competition. The X Prize Foundation offered \$10 million to the first private venture to send a privately funded craft into space twice in a week.

The Clay Mathematics Institute of Cambridge, MA, offers a \$1 million prize each for the solutions of seven Prize problems. The problems are classic mathematical questions that have resisted solution over the years.

Prizes like these involve little risk for the Government. And these prizes provide a very efficient, market-based approach to subsidy. For every success, there will be numerous failures. It is extremely difficult to predict who the winner will be. America needs to invest in a basket of potential technologies.

In 1874, it was a dream of science fiction: Jules Verne envisaged a world in which water would replace coal as the fuel of the future.

Now Icelanders believe they can do just that; they can turn that dream into science fact. And they have taken steps to create the world's first hydrogen society.

In old Icelandic sagas, whales were either good or evil. The evil whales swallowed boats and men. Just talking about such whales while on a boat would bring bad luck.

In contrast, the blue whale protected both boats and men. Blue whales would scare away all the evil whales. According to old Icelandic sagas, blue whales would warn fishermen by circling a boat three times in a row.

Sometimes energy sources can also appear to be good or bad. With hydrogen, Iceland hopes it has found the energy equivalent of a good blue whale.

Certainly, with the 1970s oil shocks and now the Katrina-related price spikes, we have been warned at least three times in a row to seek out safer seas.

In the 19th century, America plotted the course to a more productive energy future. In this new century, let us see that America once again leads the way.

Let us once again chart a course to more secure energy waters. And let us once again explore the uncharted oceans of possibilities and bring the energy that we need safely home.

R&D TAX CREDIT

Mr. BURNS. Mr. President, because I support innovation and continued economic growth, I am pleased to announce my cosponsorship of S. 627, the Investment in America Act of 2005 sponsored by my colleague Senator HATCH.

With a permanent R&D tax credit, companies will no longer have to worry about the potential for expiration and may more accurately gauge long-term investment for research and development. Certainty to the market will help provide much-needed stability and assist U.S. companies in overseas competition. This permanent tax credit will allow companies the flexibility they want, and gives them the time needed to develop new and innovative ideas.

In global terms, it is extremely important that the United States remains a leader in a variety of sectors, from technology to manufacturing. Countries such as France, Japan, Australia, Pakistan, Spain, India, Indonesia, the Netherlands, Portugal, Singapore, United Kingdom, and Canada all have permanent R&D credits. If we want to stay competitive, we must put our country on at least equal footing to that of our foreign competitors.

In Montana, over 100 companies engage in research and development and stand to benefit from the R&D tax credit. When Steve Lethert, controller of Wood's Powr-Grip Company from Laurel, MT, visited my office, he expressed that a permanent tax incentive is vital to his company's growth. This bill will not only help the United States economy at large but will benefit those in the Big Sky State.

In March 2004 when Senator HATCH proposed to extend the credit for 18 months during debate of the Jumpstart Our Business Strength, JOBS, Act of 2004. I was pleased to support that measure, and hope that the Senate will soon provide permanency to such an advantageous tool for our businesses.

LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2005

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. Each Congress, Senator KENNEDY and I introduce hate crimes legislation that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society. Likewise, each Congress I have come to the floor to highlight a separate hate crime that has occurred in our country.

On June 5, 2002, Fred Martinez a 16-year-old Navajo youth was murdered by 18-year-old Shaun Murphy. Murphy

repeatedly smashed a heavy rock into Martinez's head, throat, and abdomen. The apparent motivation for the attack was that Martinez was a transgender person.

I believe that the Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

PHILIPPINES DEBT RELIEF PROPOSAL

Mr. INOUE. Mr. President, today, I rise to speak on an innovative and creative proposal submitted by the Republic of the Philippines that would provide debt relief to the 100 most heavily indebted nations. This proposal was presented to the Boards of the International Monetary Fund and the World Bank on September 20, 2005, by the Honorable Jose De Venecia, Speaker of the House of Representatives, Congress of the Republic of the Philippines. The proposal has received a positive reception by financial and political authorities in Western Europe and will be considered by the Paris Club at its next meeting.

The proposal, known as the Debt-for-Millennium Development Goals—MDG—Investments program, would allow creditor countries to convert up to 50 percent of the debt-service payments from debtor countries into equities or other forms of investment capital. Such equities would subsequently be used to finance MDG initiatives, including, but not limited to, reforestation, energy, mass housing, irrigation, food production, and postharvest facilities, ecotourism projects, safe water systems, hospitals, infrastructure, and microfinancing.

The Debt-for-MDG Investments proposal is voluntary and would augment the agreements made by G8 countries to depreciate multilateral debt owed by heavily indebted countries. Creditor countries will have a say in which projects they support in a specific debt-or country. For example, under the proposal, a creditor country may decide to help finance housing construction to address the needs of low-income households in a debtor country. In addition, the proposal would provide debtor countries with the opportunity to improve on its infrastructure and make the economic and social investments required for them to achieve a self-sustaining economic stability.

Developing countries with heavy debt burdens face tremendous challenges in meeting the Millennium Development Goals of the United Nations and in promoting their own economic development and growth. The Philippine Debt-for-MDG Investments program proposal is one innovative and creative approach in bringing together the G8 countries to help address the debt bur-

dens of the 100 most heavily indebted nations. I encourage my colleagues to review the Republic of the Philippines' proposal in the hopes that it will spark productive discussion and debate on this international problem.

Mr. President, I ask unanimous consent that the text of my statement, and the September 20, 2005, statement of Speaker De Venecia before the Boards of the International Monetary Fund and the World Bank be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

(Sept. 20, 2005)

DEBT FOR MDG INVESTMENTS

(By Jose De Venecia)

On this eve of the 2005 World Summit, I am honored to be given this opportunity to elaborate before this distinguished body on the Philippine proposal for a "Debt-for-MDG-Investments" program to help realize the UN's Millennium Development Goals—the foremost of which is to cut world poverty in half by 2015.

Since the late eighteenth century—a time of the overturning of monarchies and the emergence of ordinary people on the stage of history—visionaries inspired by scientific progress and the promise of the new international economy have dreamt of an end to poverty.

Yet a World Bank study finds that, until now, 1.2 billion people still have a daily spending power equal to about the price of a hamburger, or a can of soft drink and a chocolate bar, in the West.

And, according to the Food and Agriculture Organization, about 815 million people go to bed hungry (among them 200 million children under the age of five).

Of course, the Good Book says the poor we will always have with us.

But—in our age of the information revolution—it has become more and more difficult to segregate poverty and wealth: To prevent the poor from realizing what is possible.

So that—in the long run—the peace and prosperity of the rich depend on the well-being of all the others.

THE WORLD DEBT BURDEN

Since the 1980s, the weakest economies have been weighted down by their burden of external debt.

Nowadays, the 100 most-heavily-indebted poor and middle-income countries must service over 2.3 trillion U.S. dollars in combined debt-stock yearly.

Debt-servicing in effect deprives these countries of scarce resources and hard-earned savings which they could otherwise invest in economic growth, job-creation, and poverty-reduction.

To pay off interests and principals, our governments are forced to slash social spending and investment in infrastructure. They are also forced to impose more—and higher—taxes.

Typically, debt-ridden states must sacrifice budget allocations for education, health care, housing, and development projects in the name of financial responsibility and continued access to international capital markets.

And, all too often, even such sacrifices come to naught, because the higher a poor country's debt-stock, the lower the level of foreign-investor confidence—and the higher the premium that lenders charge on its debt-paper.

In sum, the debt-burden of the developing world—a burden that's still growing—has